

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON

DOYLE WHEELER and CARRI WHEELER,	)	
husband and wife, individually	)	NO. CV-10-0202-LRS
and on behalf of similarly	)	
situated Washington residents,	)	ORDER DENYING DEFENDANT
	)	NOTEWORLD'S MOTION TO ALTER
Plaintiffs,	)	JUDGMENT FOR INJUNCTIVE RELIEF
	)	
-vs-	)	
	)	
NOTEWORLD, LLC, d/b/a NOTEWORLD	)	
SERVICING CENTER, a Delaware	)	
limited liability company;	)	
NATIONWIDE SUPPORT SERVICES,	)	
INC., a California corporation;	)	
FREEDOM DEBT CENTER, a	)	
California corporation; and JOHN	)	
and JANE DOES A-K,	)	
	)	
Defendants.	)	
	)	

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On April 24, 2012, this court signed a Consent Decree (ECF No. 158) which prohibits certain activities of Defendant NoteWorld, LLC ("NoteWorld"). Thereafter, the Washington Debt Adjusting Act (RCW 18.28, also referred to as "DAA" hereinafter) was amended to provide that third party account administrators are not "debt adjusters" within the meaning of the act. Defendant Noteworld has moved to modify the Consent Decree by revising some of its provisions. The motion is opposed by Plaintiffs.

1           **I.     DISCUSSION**

2           More specifically, NoteWorld argues that Section 5.b. of the Consent  
3 Judgment should be vacated because recent statutory amendments clarify  
4 that third-party account administrators such as NoteWorld are not "debt  
5 adjusters" within the meaning of RCW 18.28.010. It is, therefore, no  
6 longer equitable to apply the Prospective Account provisions of the  
7 Consent Judgment to NoteWorld.

8           Plaintiffs oppose the motion asserting that NoteWorld fails to meet  
9 its substantial burden to modify the Consent Judgment. Plaintiffs argue  
10 that recent amendments to the DAA are consistent with and reinforce the  
11 important provisions contained in the Consent Judgment. Furthermore, the  
12 Consent Judgment anticipated and fully accommodated any change in law,  
13 expressly permitting NoteWorld to conduct itself in accordance with any  
14 change in law. Plaintiffs conclude that any proposed modification by  
15 NoteWorld is both unwarranted and unnecessarily engages the Court in  
16 issuing advisory opinions as to how the amendments operate, how they  
17 impact NoteWorld's ongoing business activities, and invite the Court to  
18 sanction future conduct potentially violative of the DAA.

19           The present Consent Decree, entered by this Court on March 20, 2012,  
20 specifically provides:  
21

22                   6.     Exemptions and Future Law Changes.

23           Notwithstanding the foregoing, nothing in this  
24 Consent Judgment nor in the agreement shall prohibit  
25 Noteworld from complying with any amendment to the  
26 Washington Debt Adjusting Act or relying on any  
exemption recognized in such amendment.  
ECF. No. 158, at 5.

1 To the extent there is a conflict between the Consent Judgment and  
2 state law, state law rules. The Court finds that NoteWorld has not  
3 presented any factual situation suggesting that a conflict is imminent  
4 or that problems are likely to arise in the immediate future concerning  
5 the terms of the Consent Judgment.

6 The amendments to the DAA and Washington's Uniform Money Services  
7 Act ("UMSA") are very new and untested. Modification of the current  
8 Consent Judgment language by this court runs the risk of having potential  
9 unintended consequences before the state courts have an opportunity to  
10 construe revisions to the act. While NoteWorld argues that future fact  
11 patterns may arise which raise issues, none of those possibilities are  
12 currently before this Court to consider.

13 Of significance, NoteWorld has failed to demonstrate the likelihood  
14 of future harm if no change in the Consent Judgment is made. Rather,  
15 NoteWorld asks this Court to make "clarifications" based on reasons which  
16 are best theoretical or have not been shown to require action at this  
17 time. In the absence of showing necessity for modification and in light  
18 of the provisions of the Consent Judgment which specifically mandate that  
19 any changes in state law have priority, the motion is respectfully  
20 denied.  
21

22 **IT IS ORDERED:** Defendant Noteworld Servicing Center's Motion to  
23 Alter Judgment for Injunctive Relief, **ECF No. 186**, filed June 14, 2012,  
24 is respectfully **DENIED**.  
25

26 The District Court Executive is directed to file this Order and

1 provide copies to counsel.

2 **DATED** this 26<sup>th</sup> day of July, 2012.

3  
4 */s/ Lonny R. Suko*

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5 LONNY R. SUKO  
6 UNITED STATES DISTRICT JUDGE  
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